Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Calculating Your Monthly Car Payment

Let’s pretend you are buying a $15,000 car. You have no vehicle to trade-in, but you have saved a 20% down payment. Therefore, you will be shopping for a $12,000 car loan.

$15,000 vehicle x 20% = $3,000 down payment

$15,000 vehicle - $3,000 down payment = $12,000 car loan

Your monthly car payment amount will depend on a number of factors. Complete the table below to see the effect of various loan terms on the amount of your monthly payment. We will use the car payment calculator found at <http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx>.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Car Payment Calculations** *$12,000 loan principal ($15,000 car with a 20% or $3,000 down payment)* | | | | |
| **APR** | **Length of Loan** | **Monthly Payment** | **Total Cost of Loan** | **Total Interest** | |
| *interest rate* | *# of payments* | *use online calculator* | *monthly payment times # of payments* | *total cost minus $12,000 (loan principal)* | |
| 3% | 36 months *(3 years)* |  |  |  | |
| 3% | 60 months *(5 years)* |  |  |  | |
| 6% | 36 months |  |  |  | |
| 6% | 60 months |  |  |  | |
| 10% | 36 months |  |  |  | |
| 10% | 60 months |  |  |  | |